

BILL OF SALE

THIS BILL OF SALE (this "Bill of Sale") is made and delivered this [__ day of _____, 2004], Allegiance Telecom, Inc., a Delaware corporation ("ATI"), Allegiance Telecom Company Worldwide, a Delaware corporation ("ATCW" and, together with ATI, "Sellers" and each individually, a "Seller"), and XO Communications, Inc., a Delaware corporation ("Buyer") Capitalized terms defined in the Asset Purchase Agreement (as defined below) which are used but not defined herein shall have the meanings ascribed to such terms in the Asset Purchase Agreement

WHEREAS, the Sellers have entered into that certain Asset Purchase Agreement, dated as of [_____, 2004] (as amended from time to time, the "Asset Purchase Agreement"), by and among Sellers and Buyer, which provides, among other things, for the assignment by Sellers to Buyer of the Acquired Assets

NOW, THEREFORE, in consideration of the mutual promises contained in the Asset Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Asset Purchase Agreement

1 Each Seller does hereby sell, convey, assign, transfer and deliver to Buyer free and clear of all Liens and Liabilities (other than Permitted Liens of the type included in clause (iii) of the definition of Permitted Liens in the Asset Purchase Agreement), all of such Seller's right, title and interest in and to the Acquired Assets.

2 This Bill of Sale is executed and delivered pursuant to the Asset Purchase Agreement Nothing in this Bill of Sale, express or implied, is intended to or shall be construed to supersede, modify, expand or limit in any way the terms of the Asset Purchase Agreement To the extent that any provision of this Bill of Sale conflicts or is inconsistent with the terms of the Asset Purchase Agreement, the Asset Purchase Agreement shall govern

3. This Bill of Sale shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

4. The Bill of Sale shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the Bankruptcy Code and the substantive laws of the State of New York for contracts expected and likely to be performed solely within such state, in each case without regard to the conflict of laws principles thereof or of any other jurisdiction.

5 This Bill of Sale may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, and all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have caused this Bill of Sale to be executed and delivered as of the day and year first above written.

SELLERS:

ALLEGIANCE TELECOM, INC

By _____
Name
Title

ALLEGIANCE TELECOM COMPANY WORLDWIDE

By _____
Name
Title

BUYER:

XO COMMUNICATIONS, INC.

By _____
Name
Title

ASSUMPTION AGREEMENT

ASSUMPTION AGREEMENT (this "Agreement") dated as of [_____, 2004], by and among Allegiance Telecom, Inc., a Delaware corporation ("ATI"), Allegiance Telecom Company Worldwide, a Delaware corporation ("ATCW") and, together with ATI, "Sellers" and each individually, a "Seller", and XO Communications, Inc., a Delaware corporation ("Buyer"). Capitalized terms defined in the Asset Purchase Agreement (as defined below) which are used but not defined herein shall have the meanings ascribed to such terms in the Asset Purchase Agreement.

WHEREAS, Sellers and Buyer have entered into that certain Asset Purchase Agreement, dated as of **[February 18, 2004]** (as amended from time to time, the "Asset Purchase Agreement"), pursuant to which Sellers have agreed to sell, convey, assign, transfer and deliver to Buyer, and Buyer has agreed to purchase, acquire and accept from Sellers, all right, title and interest of Sellers in and to all Acquired Assets and Assumed Liabilities;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows

1 In accordance with and subject to the terms, provisions and limitations of the Asset Purchase Agreement, Buyer hereby assumes the Assumed Liabilities

2. This Agreement is executed and delivered pursuant to the Asset Purchase Agreement. Nothing in this Agreement, express or implied, is intended to or shall be construed to supersede, modify, expand or limit in any way the terms of the Asset Purchase Agreement. To the extent that any provision of this Agreement conflicts or is inconsistent with the terms of the Asset Purchase Agreement, the Asset Purchase Agreement shall govern.

3 Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or give to, any Person other than Buyer and Sellers and their respective successors and permitted assigns, any remedy or claim under or by reason of this instrument or any term, covenant or condition hereof, and all the terms, covenants and conditions, promises and agreements contained in this instrument shall be for the sole and exclusive benefit of Buyer and Sellers and their respective successors and permitted assigns.

4. This Agreement may be amended, supplemented or modified, and any provision hereof may be waived, only pursuant to a written instrument making specific reference to this Agreement signed by each of the parties hereto.

5. This Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the Bankruptcy Code and the substantive laws of the State of New York for contracts expected and likely to be

performed solely within such state, in each case without regard to the conflict of laws principles thereof or of any other jurisdiction.

6 This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, and all of which together shall constitute one and the same instrument

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this
Assumption Agreement as of the date and year first above written

SELLERS:

ALLEGIANCE TELECOM, INC

By _____
Name
Title

ALLEGIANCE TELECOM COMPANY WORLDWIDE

By: _____
Name:
Title.

BUYER:

XO COMMUNICATIONS, INC

By: _____
Name
Title:

EXHIBIT F-1

EXECUTION COPY

PURCHASE PRICE ESCROW AGREEMENT

PURCHASE PRICE ESCROW AGREEMENT (this "*Escrow Agreement*"), dated as of February 25, 2004, by and among Allegiance Telecom, Inc., a Delaware corporation, and Allegiance Telecom Company Worldwide, a Delaware corporation, debtors-in-possession under title 11, of the United States Code, 11 U.S.C. in the United States Bankruptcy Court for the Southern District of New York (each individually, "*Seller*," and together, "*Sellers*"), XO Communications, Inc., a Delaware corporation ("*Buyer*"), and JPMorgan Chase Bank, a New York State Bank (the "*Escrow Agent*").

WITNESSETH

WHEREAS, Buyer and Sellers have entered into an Asset Purchase Agreement, dated as of February 18, 2004 (the "*Asset Purchase Agreement*" and capitalized terms used herein and not otherwise defined in this Escrow Agreement shall have the meaning ascribed to them in the Asset Purchase Agreement);

WHEREAS, pursuant to Section 3.2(b) of the Asset Purchase Agreement, Buyer and Sellers have agreed that upon the Early Funding Date, Buyer will deliver the Adjusted Cash Purchase Price and the Purchase Price Escrow Stock (collectively the "*Escrowed Purchase Price*") into an escrow account;

WHEREAS, pursuant to Section 3.3 of the Asset Purchase Agreement, Buyer and Sellers have agreed that Sellers will deliver the Earnest Money Deposit (the "*Earnest Money Escrow Amount*," collectively with the Escrowed Purchase Price, the "*Escrow Property*") into an escrow account, and

WHEREAS, Buyer and Sellers desire to appoint the Escrow Agent to act as escrow agent hereunder in the manner hereinafter set forth and the Escrow Agent is willing to act in such capacity,

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer, Sellers and the Escrow Agent hereby agree as follows.

1. Establishment of Escrow Account. The Escrow Agent shall establish and maintain on behalf of the parties hereto, an interest bearing escrow account (the "*Escrow Account*") to which there shall be immediately credited and held all amounts or property received by the Escrow Agent from Buyer in accordance with Section 2 hereof. The funds and property credited to the Escrow Account shall be applied and disbursed only as provided herein. The Escrow Agent shall, to the extent required by law, segregate the funds credited to the Escrow Account from its other funds held as an agent or in trust.

2. Deposits to the Escrow Account, Investment.

(a) Buyer shall deliver to the Escrow Agent for deposit in the Escrow Account the Adjusted Cash Purchase Price and the Purchase Price Escrow Stock and Sellers shall deliver to the Escrow Agent for deposit in the Escrow Account the Earnest Money Deposit as required pursuant to Section 3.2(b) and Section 3.3, respectively, of the Asset Purchase Agreement and the terms set forth herein

(b) All cash amounts to be deposited with the Escrow Agent shall be transferred by wire transfer of immediately available funds to the following account of the Escrow Agent (or to such other account of the Escrow Agent as the Escrow Agent shall notify Sellers and Buyer in writing prior to the transfer of funds and which account Sellers and Buyer approve)

JPMorgan Chase Bank
Houston, Texas
ABA No.. 113000609
Account Name: Trust Clearing Account
Account No.. 00103409257
FFC. Allegiance Telecom Escrow
Attention: Greg Campbell

(c) Purchase Price Escrow Stock will be delivered to Escrow Agent registered in the name of Buyer with dually executed and Medallion signature guaranteed stock powers attached to each Purchase Price Escrow Stock certificate. All property (including the Purchase Price Escrow Stock) to be deposited with the Escrow Agent shall be delivered to the Escrow Agent at the following address:

JPMorgan Chase Bank
600 Travis, Suite 1150

Houston, Texas 77002
Attention: Greg Campbell
Telecopier: (713) 216 - 6927

(d) The Escrow Agent shall promptly following receipt confirm in writing to Sellers and Buyer the deposits received by it pursuant to Section 2(a), Section 2(b) and Section 2(c) above and the amount of such deposit and of any other amounts or securities from time to time deposited with the Escrow Agent in connection with the Asset Purchase Agreement.

(e) Funds on deposit in the Escrow Account shall be invested in short-term United States government securities, money-market funds, interest bearing depository accounts or short-term certificates of deposit of a bank or trust company having combined capital, surplus and retained earnings of at least \$500 million; provided that any such investment can be liquidated upon five (5) days notice. The Escrow Agent shall not be accountable or liable for any losses resulting from the sale or depreciation in the market value of such investments thereof. Sellers shall not be accountable or liable to

Buyers for any losses resulting from the sale or depreciation in the market value of such investments. Unless otherwise instructed in writing by Buyer and Sellers, the Escrow Agent will invest the Escrow Property in the JPMorgan U.S. Govt #245 Money Market Fund. Escrow Agent shall not be liable for failure to invest or reinvest funds absent sufficient written direction. Unless Escrow Agent is otherwise directed in such written instructions, Escrow Agent may use a broker-dealer of its own selection, including a broker-dealer owned by or affiliated with Escrow Agent or any of its affiliates. The Escrow Agent or any of its affiliates may receive compensation with respect to any investment directed hereunder; provided, that such compensation shall not affect the fees paid by Buyer and Sellers hereunder. It is expressly agreed and understood by the parties hereto that Escrow Agent shall not in any way whatsoever be liable for losses on any investments, including, but not limited to, losses from market risks due to premature liquidation or resulting from other actions taken pursuant to this Escrow Agreement.

(f) Receipt, investment and reinvestment of the Escrow Property shall be confirmed by Escrow Agent to Buyer and Seller as soon as practicable by account statement.

(g) Buyer shall be deemed the owner of all Escrow Property and investments in the Escrow Account and shall be responsible for the preparation of all tax returns associated with the investments therein and shall pay all costs relating to such returns, and any related taxes, fines and penalties and interest. The Escrow Account shall be assigned the federal tax identification number of Buyer. Upon execution of this Escrow Agreement, Buyer and Sellers shall provide Escrow Agent with a Form W-8 or W-9 to evidence Buyer is not subject to any back-up withholding under the United States Internal Revenue Code. Buyer shall report all income, if any, that is earned on, or derived from, the Escrow Property as its income, in the taxable year or years in which such income is properly includible and pay any taxes attributable thereto. Failure to so provide such forms may prevent or delay disbursements from the Escrow Property and may also result in the Escrow Agent's being required to withhold tax on any interest or other income earned on the Escrow Property. Any payments of income shall be subject to applicable withholding regulations then in force in the United States or any other jurisdiction, as applicable.

3. Distributions from Escrow Account.

(a) Funds on deposit in the Escrow Account shall be withdrawn by the Escrow Agent only in accordance with this Section 3.

(b) If the Escrow Agent receives joint written instructions signed by Buyer and Sellers pursuant to the Asset Purchase Agreement that such agreement has been terminated, the Escrow Agent shall disburse in accordance with the joint written instructions of Buyer and Sellers the Escrow Property to Buyer or Sellers and all accrued investment income thereon to Buyer, in each case within three (3) Business Days of receipt of notice of such termination. The term "Business Day" shall mean any day of the

year, excluding Saturday, Sunday and any other day on which national banks are required or authorized to close in New York, New York

(c) If one of the parties (the “*Notifying Party*”) (without joint instructions from the other party) notifies the Escrow Agent that it is entitled to the Escrow Property, such notice (the “*Notice*”) shall state the reason that the Notifying Party is entitled to the Escrow Property, and the Notice will also be sent to the other party (the “*Recipient*”). The Recipient shall have ten (10) calendar days from its actual receipt of the Notice to provide notice to the Escrow Agent and the Notifying Party disputing the Notifying Party’s entitlement to the Escrow Property. If the Escrow Agent does not receive notice disputing such entitlement to the Escrow Property prior to 5:00 p.m. Central Time on the tenth (10th) calendar days after the Recipient actually receives the Notice, the Escrow Agent shall pay the Escrow Property as directed by the Notifying Party. If the Escrow Agent receives notice disputing such entitlement to the Escrow Property prior to 5:00 p.m. Central Time on the tenth (10th) calendar days after the Recipient receives the Notice, the Escrow Agent shall not pay the disputed amount of the Escrow Property until the Escrow Agent receives either an order of the Bankruptcy Court, which order has become final and not subject to appeal and has been certified by the clerk of the Bankruptcy Court or other appropriate official, or joint written notice signed by Buyer and Sellers indicating that the dispute has been resolved and directing the Escrow Agent to whom to pay the Escrow Property and in what amounts (collectively, a “*Final Resolution*”). The Escrow Agent shall pay the Escrow Property within three (3) Business Days of its receipt of the written evidence of a Final Resolution as provided in this Section 3(c). The Escrow Agent shall be entitled to rely, exclusively, on any representation jointly made by Buyer and Sellers in writing in relation to the release of funds from the Escrow Account, and shall release funds from the Escrow Account from time to time as directed in any such joint written instruction from Buyer and Sellers or pursuant to a Final Resolution.

(d) Upon the Escrow Agent receiving written notice, signed by Buyer and Sellers, of the Closing of the transactions contemplated by the Asset Purchase Agreement, the Escrow Agent shall disburse to Sellers the Escrow Property, and the earnings thereon shall be disbursed to Buyer, in each case within three (3) Business Days of receipt of notice of the Closing.

(e) All disbursements of the Escrow Property, or any portion thereof, to Buyer, and the earnings thereon, shall be disbursed to Buyer in accordance with the instructions attached hereto as Exhibit A. Buyer may amend Exhibit A hereto from time to time by providing written notice to the Escrow Agent. Any such amendment shall be effective immediately upon receipt by the Escrow Agent of such written notice.

(f) All disbursements of the Escrow Property, or any portion thereof to Sellers shall be disbursed to Sellers in accordance with the instructions attached hereto as Exhibit B. Sellers may amend Exhibit B hereto from time to time by providing written notice to the Escrow Agent. Any such amendment shall be effective immediately upon receipt by the Escrow Agent of such written notice

4 Termination of Escrow Account and Escrow Agreement. The Escrow Account shall be deemed dissolved and this Escrow Agreement shall terminate upon the written agreement of the parties hereto, upon disbursement of all of the funds in the Escrow Account, or upon transfer of all amounts in the Escrow Account then in the possession of the Escrow Agent to the Bankruptcy Court or such other party as the parties hereto may jointly agree upon in writing in accordance with the terms of this Escrow Agreement

5 Escrow Agent.

(a) Buyer and Sellers, jointly and severally, agree to pay the Escrow Agent reasonable compensation for its services as Escrow Agent hereunder, as listed on Schedule A annexed hereto, promptly upon request therefor, and to reimburse the Escrow Agent for all reasonable expenses of or reasonable disbursements incurred by the Escrow Agent in the performance of its duties hereunder, including the reasonable fees, expenses and disbursements of counsel to the Escrow Agent. Notwithstanding the foregoing, and without prejudice to the Escrow Agent's rights hereunder, each of Buyer and Sellers shall bear 50% of the fees, costs and expenses of the Escrow Agent and of any indemnity obligation pursuant to Section 6(c) hereof.

(b) The Escrow Agent may retain that portion of the Escrow Account equal to any such unpaid reasonable costs, expenses and fees incurred by the Escrow Agent as contemplated by Section 5(a) above until such time as such costs, expenses and fees have been paid

6. Rights, Duties and Immunities of Escrow Agent Acceptance by the Escrow Agent of its duties under this Escrow Agreement is subject to the following terms and conditions, which all parties to this Escrow Agreement hereby agree shall govern and control the rights, duties and immunities of the Escrow Agent:

(a) The duties and obligations of the Escrow Agent shall be determined solely by the express provisions of this Escrow Agreement and the Escrow Agent shall not be liable, except for the performance of such duties and obligations as are specifically set out in this Escrow Agreement. The Escrow Agent shall not be required to inquire as to the performance or observation of any obligation, term or condition under any agreement or arrangement by Buyer and Sellers. The Escrow Agent is not a party to, and is not bound by, any agreement or other document out of which this Escrow Agreement may arise. The Escrow Agent shall be under no liability to any party hereto by reason of any failure on the part of any other party hereto or any maker, guarantor, endorser or other signatory of any document or any other person to perform such person's obligations under any such document. The Escrow Agent shall not be bound by any waiver, modification, termination or rescission of this Escrow Agreement or any of the terms hereof, unless evidenced by a writing delivered to the Escrow Agent signed by the proper party or parties and, if the duties or rights of the Escrow Agent are affected, unless it shall

give its prior written consent thereto. This Escrow Agreement shall not be deemed to create a fiduciary relationship between the Sellers and Buyer under state or federal law.

(b) The Escrow Agent shall not be responsible in any manner for the validity or sufficiency of this Escrow Agreement or of any property delivered hereunder, or for the value or collectibility of any note, check or other instrument, if any, so delivered, or for any representations made or obligations assumed by any party other than the Escrow Agent. Nothing herein contained shall be deemed to obligate the Escrow Agent to deliver any cash, instruments, documents or any other property referred to herein, unless the same shall have first been received by the Escrow Agent pursuant to this Escrow Agreement.

(c) Buyer and Sellers will reimburse and indemnify the Escrow Agent for, and hold it harmless against, any loss, liability or expense, including but not limited to reasonable counsel fees, incurred without bad faith, willful misconduct or gross negligence on the part of the Escrow Agent arising out of or in conjunction with its acceptance of, or the performance of its duties and obligations under this Escrow Agreement.

(d) The Escrow Agent shall be fully protected in acting on and relying upon any written notice, direction, request, waiver, consent, receipt or other paper or document which the Escrow Agent in good faith believes to have been signed and presented by the proper party or parties.

(e) The Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith or for any mistake in act or law, or for anything which it may do or refrain from doing in connection herewith, except its own gross negligence or willful misconduct.

(f) The Escrow Agent may seek the advice of legal counsel in the event of any dispute or question as to the construction of any of the provisions of this Escrow Agreement or its duties hereunder, and it shall incur no liability and shall be fully protected in respect of any action taken, omitted or suffered by it in good faith in accordance with the written advice or opinion of such counsel.

(g) The parties hereto agree that should any dispute arise with respect to the payment, ownership or right of possession of the Escrow Account, the Escrow Agent is authorized and directed to retain in its possession, without liability to anyone, except for its bad faith, willful misconduct or gross negligence, all or any part of the Escrow Account until such dispute shall have been settled either by mutual agreement by the parties concerned or by the final order, decree or judgment of the Bankruptcy Court and a notice executed by the parties to the dispute or their authorized representatives shall have been delivered to the Escrow Agent setting forth the resolution of the dispute, which notice Buyer and Sellers hereby agree to so execute and deliver to the Escrow Agent in the event that such an order, decree or judgment is obtained from or issued by the

Bankruptcy Court The Escrow Agent shall be under no duty whatsoever to institute, defend or partake in such proceedings.

(h) The agreements set forth in this Section 6 shall survive the resignation or removal of the Escrow Agent, the termination of this Escrow Agreement and the payment of all amounts hereunder.

(i) In no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action and *provided, further*, that Escrow Agent shall have no liability for any loss arising from any cause beyond its control, including, but not limited to, the following. (a) acts of God, force majeure, including, without limitation, war (whether or not declared or existing), revolution, insurrection, riot, civil commotion, accident, fire, explosion, stoppage of labor, strikes and other differences with employees; (b) the act, failure or neglect of Buyer or Sellers or any agent or correspondent or any other person selected by Escrow Agent; (c) any delay, error, omission or default of any mail, courier, telegraph, cable or wireless agency or operator; or (d) the acts or edicts of any government or governmental agency or other group or entity exercising governmental powers. Escrow Agent is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of this Escrow Agreement or any part hereof or for the transaction or transactions requiring or underlying the execution of this Escrow Agreement, the form or execution hereof or for the identity or authority of any person executing this Escrow Agreement (except for the Escrow Agent itself) or any part hereof or depositing the Escrow Property.

7 Resignation of Escrow Agent. The Escrow Agent shall have the right to resign upon 30 days written notice to Sellers and Buyer. In the event of such resignation, Sellers and Buyer shall mutually agree upon and appoint a successor escrow agent hereunder by delivering to the Escrow Agent a written notice of such appointment. Upon receipt of such notice, the Escrow Agent shall deliver to the designated successor escrow agent all money and other property held hereunder and shall thereupon be released and discharged from any and all further responsibilities whatsoever under this Escrow Agreement; provided, however, that the Escrow Agent shall not be deprived of its compensation earned prior to such time.

If no successor escrow agent shall have been designated by the date specified in the Escrow Agent's notice, all obligations of the Escrow Agent hereunder shall nevertheless cease and terminate. Its sole responsibility thereafter shall be to keep safely all property then held by it and to deliver the same to a person designated by the other parties hereto or in accordance with the direction of a final order or judgment of the Bankruptcy Court.

8. Notices. All claims, notices, consents, objections and other communications under this Escrow Agreement shall be in writing and shall, except as otherwise provided herein, be deemed to have been duly given when (i) delivered by hand, (ii) sent by telecopier (with receipt confirmed), or (iii) when received by the addressee, if sent by Express Mail, Federal Express or other reputable overnight delivery service, in each case, at the appropriate addresses and telecopier numbers as set forth below

ESCROW AGENT

JPMorgan Chase Bank
600 Travis, Suite 1150
Houston, Texas 77002 Attention: Greg
Campbell
Telecopier: 713-216-6927

Telephone: 713-216-6079

BUYER

XO Communications, Inc.
11111 Sunset Hills Road
Reston, Virginia 2019
Telecopier: (703) 547-2025
Attention: Lee Wiener,
Senior Vice President and General Counsel
Kristi Jung, Treasurer

With a copy to:

Brown Rudnick Berlack Israels
120 West 45th Street
New York, NY 10036
Telecopier: (212) 704-0196
(617) 856-8201
Attention: Edward S. Weisfelner
Steven D. Pohl

SELLERS

c/o Allegiance Telecom, Inc.
700 E. Butterfield Road, Suite 400
Lombard, IL 60148
Telecopier: (630) 522-5250
Attention: Mark B. Tresnowski, Esq.
Executive Vice President,
General Counsel and Secretary

With a copy to:

Kirkland & Ellis LLP
153 East 53rd St.
New York, NY 10022
Telecopier (212) 446-4900
Attention: Jonathan S. Henes, Esq.
Michael Movsoovich, Esq.

(or to such other addresses and telecopier numbers as a party may designate as to itself by notice to the other parties) Notwithstanding any of the foregoing, any computation of a time period which is to begin after receipt of a notice by the Escrow Agent shall run from the date of receipt by it.

9. Successors. This Escrow Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that this Escrow Agreement may not be assigned by any party without the prior written consent of the other parties, which consent shall not be unreasonably withheld.

10. Severability. If any portion or provision of this Escrow Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Escrow Agreement shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law. The provisions hereof are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

11. Amendments. This Escrow Agreement may be amended or modified at any time or from time to time in writing executed by the parties to this Escrow Agreement

12. Governing Law. This Escrow Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the substantive laws of the State of New York, without regard to the conflict of laws principles thereof or of any other jurisdiction.

13. JURISDICTION. THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION TO RESOLVE ANY AND ALL DISPUTES ARISING UNDER THIS ESCROW AGREEMENT AND EACH OF THE PARTIES HERETO HEREBY EXPRESSLY CONSENTS TO SUCH EXCLUSIVE JURISDICTION.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Escrow Agreement, or the waiver by any

party of any breach of this Escrow Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15 Headings The headings and captions in this Escrow Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of this Escrow Agreement

16 Counterparts. This Escrow Agreement may be executed in any number of counterparts and by each of the parties hereto in separate counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have executed this Escrow Agreement as
of the date first written above

ALLEGIANCE TELECOM, INC.

By: _____
Name:
Title:

ALLEGIANCE TELECOM COMPANY
WORLDWIDE

By: _____
Name:
Title:

XO COMMUNICATIONS, INC.

By: _____
Name:
Title:

JPMORGAN CHASE BANK,

as Escrow Agent

By _____
Name:
Title:

Schedule A



**Schedule of Fees
for
Escrow Agent Services**

Note: The following fee schedule is applicable only in the event that the cash portion of the escrow deposit, after its deposit and until withdrawn in each case pursuant to the terms of this Purchase Price Escrow Agreement, is not invested in a JPMorgan investment product.

New Account Acceptance Fee \$ 750 WAIVED
Payable upon Account Opening

Minimum Administrative Fee \$ 3,500 WAIVED
Payable Upon Account Opening and in Advance
for each year in which we act as Escrow Agent

ACTIVITY FEES:

Disbursements

| | | |
|-----------|---------------|----------------------|
| Per Check | | \$ 35 WAIVED |
| Per Wire | U.S. | \$ 35 WAIVED |
| | International | \$ 100 WAIVED |

Receipts

| | |
|-----------|---------------------|
| Per Check | \$ 35 WAIVED |
| Per Wire | \$ 35 WAIVED |

Investments

| | |
|------------------------|---------------------|
| Per directed buy/sell) | \$ 50 WAIVED |
|------------------------|---------------------|

| | |
|-----------------------|---------------------|
| 1099 Reporting | \$ 15 WAIVED |
|-----------------------|---------------------|

LEGAL EXPENSES: WAIVED

A New Account Acceptance Fee will be charged for the Bank's review of the Escrow Agreement along with any related account documentation. A one (1) year Minimum Administrative Fee will be assessed for any account which is funded. The account will be invoiced in the month in which the account is opened and annually thereafter. Payment of the invoice is due 30 days following receipt.

The Administrative Fee will cover a maximum of fifteen (15) annual administrative hours for the Bank's standard Escrow services including account setup, safekeeping of assets, investment of funds, collection of income and other receipts, preparation of statements comprising account activity and asset listing, and distribution of assets in accordance with the specific terms of the Escrow Agreement.

Extraordinary Services and Out-of-Pocket Expenses:

Any additional services beyond our standard services as specified above, such as annual administrative activities in excess of fifteen (15) hours and all reasonable out-of-pocket expenses including attorney's fees will be considered extraordinary services for which related costs, transaction charges, and additional fees will be billed at the Bank's standard rate.

Modification of Fees:

Circumstances may arise necessitating a change in the foregoing fee schedule. The Bank will attempt at all times, however, to maintain the fees at a level which is fair and reasonable in relation to the responsibilities assumed and the duties performed.

Assumptions:

- Any cash portion of the escrow deposit shall be continuously invested, after its deposit and until withdrawn in each case pursuant to the terms of this Purchase Price Escrow Agreement, in the JPMorgan Chase Cash Escrow Product or other similar investment. The Minimum Administrative Fee would include ***a supplemental charge of 50 basis points*** on the escrow deposit amount if another investment option is chosen.
- The account will be invoiced in the month in which the account is opened and annually thereafter.
- Payment of the invoice is due 30 days following receipt.

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| All fees quoted are subject to our review and acceptance, and that of our legal counsel, of the documents governing the escrow. Except as provided herein, as a condition for acceptance of an appointment, it is expected that all legal fees and out-of-pocket expenses incurred by JPMorgan Chase Bank and our counsel in connection with our review of the transaction will be paid by the client regardless of whether or not the transaction closes. |
|--|

Notwithstanding anything to the contrary herein, the Escrow Agent hereby acknowledges and agrees that for so long as the cash portion of the escrow deposit is invested, after its deposit and until withdrawn in each case pursuant to the terms of this Purchase Price Escrow Agreement, in a JPMorgan investment product, or other similar investment, all fees (whether recurring or non-recurring) associated with this Purchase Escrow Agreement are waived.

EXHIBIT A

ACH/ WIRE TRANSFER INSTRUCTIONS:

Bank Mellon
Pittsburgh, PA

ABA: 043000261

Credit.
XO Communications, Inc
11111 Sunset Hills Road
Reston, VA 20190

Account. 121-5935

Please fax Remittance advice to
XO Communications
Attn: Kate Kenefick
Fax- 703-547-2032

EXHIBIT B

Allegiance Telecom
JP Morgan Chase
Dallas Texas
Route #. 113000609
Account Number: 08806351092

EXHIBIT C TAX CERTIFICATIONS

ALLEGIANCE TELECOM, INC

Tax Certification. Taxpayer ID# 75-2721491

NOTE. The following certification shall be used by and for a U.S. resident only. Non-residents must use and provide Form W8-BEN

Customer is a (check one)

☒ Corporation ☐ Municipality ☐ Partnership ☐ Non-profit or Charitable Org
☐ Individual ☐ REMIC ☐ Trust ☐ Other _____

Under the penalties of perjury, the above certifies that

- (1) the entity is organized under the laws of the United States*
- (2) the number shown above is its correct Taxpayer Identification Number (or it is waiting for a number to be issued to it) and*
- (3) it is not subject to backup withholding because (a) it is exempt from backup withholding or (b) it has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified it that it is no longer subject to backup withholding*

(If the entity is subject to backup withholding, cross out the words after the (3) above.)

Investors who do not supply a tax identification number will be subject to backup withholding in accordance with IRS regulations

Note: The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

ALLEGIANCE TELECOM COMPANY WORLDWIDE

Tax Certification: Taxpayer ID# 75-2811276

NOTE The following certification shall be used by and for a U S resident only. Non-residents must use and provide Form W8-BEN

Customer is a (check one)

☒ Corporation ☐ Municipality ☐ Partnership ☐ Non-profit or Charitable Org
☐ Individual ☐ REMIC ☐ Trust ☐ Other _____

Under the penalties of perjury, the above certifies that

- (1) the entity is organized under the laws of the United States
- (2) the number shown above is its correct Taxpayer Identification Number (or it is waiting for a number to be issued to it) and
- (3) it is not subject to backup withholding because (a) it is exempt from backup withholding or (b) it has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends or (c) the IRS has notified it that it is no longer subject to backup withholding

(If the entity is subject to backup withholding, cross out the words after the (3) above.)

Investors who do not supply a tax identification number will be subject to backup withholding in accordance with IRS regulations

Note The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding

Tax Certification: Taxpayer ID# 54-1983517

NOTE: The following certification shall be used by and for a U.S. resident only. Non-residents must use and provide Form W-8-BEN

Customer is a (check one)

☒ Corporation ☐ Individual ☐ REMIC ☐ Municipality ☐ Partnership ☐ Trust ☐ Non-profit or Charitable Org ☐ Other

Under the penalties of perjury, the undersigned certifies that

(1) the entity is organized under the laws of the United States

(2) the number shown above is its correct Taxpayer Identification Number (or it is waiting for a number to be issued to it) and

(3) it is not subject to backup withholding because (a) it is exempt from backup withholding or (b) it has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified it that it is no longer subject to backup withholding

(If the entity is subject to backup withholding, cross out the words after the (3) above.)

Investors who do not supply a tax identification number will be subject to backup withholding in accordance with IRS regulations

Note: The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding